

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

Suncorp

SC123QW:

In dollar terms, how much advertising space did your fund book (directly or indirectly through a broker or agent) in the second half of 2020 that was unused on:

- a. radio?
- b. television?
- c. print?

Answer:

Suncorp do not book advertising space on radio, television or in print for its superannuation business. Suncorp Group uses advertising space for its insurance & banking business.

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Suncorp

SC124QW:

In minutes, how much advertising space did your fund book (directly or indirectly through a broker or agent) in the second half of 2020 that was unused on:

- a. radio?
- b. television?
- c. print?

Answer:

Further to our response to SC123QW, there is no evidence of any unused advertising space for Suncorp's superannuation business

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Suncorp

SC125QW:

Please complete the table for the last five financial years outlining your financial contribution to Industry Super Australia

Answer:

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	
Contribution (\$)	Nil	Nil	Nil	Nil	Nil	

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SC126QW:

What is your current policy on whether your funds are permitted to invest in:

- a. residential property?
- b. Build-to-Rent housing?
- c. social housing?

Answer:

The Suncorp Master Trust does not directly hold any unlisted assets so there are no policies governing different unlisted asset classes.

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Suncorp

SC127QW:

What data do you have on the home ownership rates of fund members?

Answer:

Suncorp Super does not gather information about home ownership from its members.

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Suncorp

SC128QW:

Have you ever:

- a. completed internal research that includes retirement outcomes for fund members who own their home in retirement, compared to those who do not?
- b. commissioned external research that includes retirement outcomes for fund members who own their home in retirement, compared to those who do not?

Answer:

Suncorp Super has not arranged internal or external research on retirement outcomes for members who do or do not own their own home in retirement.

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SC129QW:

For the last five financial years, please complete the table for the average return on all your investments.

Answer:

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Average return (%)	3.0%	6.9%	7.5%	5.9%	-1.2%

This information has been gathered from the “One-year rate of return” from APRA’s *Annual fund-level superannuation statistics* back series. It is worth noting that 11% of the Suncorp Master Trust’s total funds under administration as at 30 June 2020 was attributable to traditional capital and income guaranteed investments. As such, their investment return profile is quite different from more contemporary, growth-oriented superannuation investments.

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Suncorp

SC130QW:

For the last five financial years, please complete the table for investments across all your funds in all forms of residential property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment.

Answer:

Not applicable as the Suncorp Master Trust does not directly hold any unlisted assets.

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Suncorp

SC131QW:

For the last five financial years, please complete the table for investments across all your funds in Build-to-Rent property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment.

Answer:

Not applicable as the Suncorp Master Trust does not directly hold any unlisted assets.

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Suncorp

SC132QW:

For the last five financial years, please complete the table for investments across all your funds in social housing property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment.

Answer:

Not applicable as the Suncorp Master Trust does not directly hold any unlisted assets.

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SC133QW:

Please outline your policy on:

- a. Fund members using their superannuation fund for a deposit to buy their first home.
- b. Retirees using their superannuation to:
 - i. renovate their home
 - ii. pay rent.

Answer:

Members of the Suncorp Master Trust are free to withdraw from their super in accordance with the First Home Super Saver (FHSS) scheme announced in the 2017–2018 Federal Budget if they are eligible to do so. Suncorp does not have any other specific policies in relation to the use of superannuation for first home buyers or retirees using their retirement savings for rental or renovation expenses.

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SC134QW:

Within your fund, what percentage of retirees in each of the last five financial years used their superannuation to:

- a. renovate their home?
- b. clear their remaining mortgage?

Answer:

Suncorp does not gather information from its superannuation membership in the retirement phase about the intended use for their regular pension payments or lump sum withdrawals.

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SC135QW:

Insurance premiums

- a. Have you ever deducted insurance premiums from fund members for insurance policies that they are not covered by?
- b. Have you ever completed an audit to identify if insurance premiums have been deducted from fund members for insurance policies that they are not covered by?

Answer:

- a. While it is not common or intentional, Suncorp has inadvertently deducted insurance premiums incorrectly from member accounts in the past. Where an erroneous premium deduction has occurred, a refund of the incorrectly charged amount and compensation to cover the lost investment returns for the relevant period is paid to the member account in accordance with the Trustee's compensation policy.
- b. Suncorp concluded a program in 2017 involving a significant product and system rationalisation which included a review of the insurance benefits of all members. No issues of the nature that the Member refers were found during this review.

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Suncorp

SC136QW:

Material distributed to members

- a. Have you ever distributed materials to members that state and/or suggest that:
 - i. members have coverage under insurance policies that they do not have?
 - ii. members are required to keep a minimum balance in their superannuation fund?
 - iii. their employer may be unwilling to contribute to another superannuation fund?
 - iv. members require a statement of any kind from their employer to move away from your fund?
- b. Have you ever completed an **audit** of materials distributed to members that state and/or suggest that members have coverage under insurance policies that they do not have?
- c. Have you ever completed an **audit** to establish whether you have distributed materials to members that state and/or suggest that:
 - i. they are required to keep a minimum balance in their superannuation fund?
 - ii. their employer may be unwilling to contribute to another superannuation fund?
 - iii. they require a statement of any kind from their employer to move away from your fund?

Answer:

- a.
 - i. Further to our response to SC135QW (a), the presence of incorrect insurance cover on a member account would likely result in that incorrect insurance cover appearing in a members' periodic statement. Communications issued to the member as part of any rectification activity would clarify the correct insurance cover they hold within the Fund.
 - ii. Suncorp does not currently enforce a minimum account balance in their on-sale products. However, there are products that did include minimum investment balance requirements for investment options in the past and we confirm to members through our disclosure that if they wish to maintain insurance cover within their account, their balance needs to remain at a level that is sufficient to cover the cost of their insurance fees.
 - iii. We have conducted a review of our records dating back to January 2000 and can find no evidence that the Fund has distributed material to members which suggest an employer may be unwilling to contribute to any super fund.
 - iv. We have conducted a review of our records dating back to January 2000 and can find no evidence that the Fund has distributed material to members which suggest that members require a statement of any kind from their employer to move away from our fund.

b. We have conducted a review of our records relating to audits dating back to August 2000 and this review indicates that the Fund has not specifically completed an audit of distributed materials which may suggest that a member had insurance cover they did not actually have in recent years. However, our review has indicated that audits conducted in 2002, 2005 and 2007 may have considered this.

c.

i, ii, iii. We have conducted a review of our records relating to audits dating back to August 2000 and this review indicates that the Fund has not specifically completed an audit of disclosure relating to minimum balances, an employer's unwillingness to contribute to another fund or an employer statement being required to transfer out of the Fund.